

**Comments of Linda Foley
President
The Newspaper Guild/Communications Workers of America
Before the
FCC Field Hearing on Broadcast Ownership Rules
Richmond, Va.
February 27, 2003**

RECEIVED

MAR - 5 2003

Federal Communications Commission
Office of the Secretary

Good afternoon, and thank you for allowing me to testify on behalf of The Newspaper Guild-CWA, the union that represents print journalists and other media workers, and our parent union, the CWA, representing 700,000 workers, including broadcast technicians and other media workers. Before my tenure with The Newspaper Guild-CWA, I was a reporter and editor at a Knight Ridder newspaper in Kentucky.

I'm going to talk about the competition for news.

The Commission's broadcast media ownership rules are based on the First Amendment principle that the widest possible dissemination of information from diverse and antagonistic sources is essential to public welfare.

First, we acknowledge that the media market is changing; no one knows this better than our members. There are more media outlets today than ever before. But there are fewer owners. And, the fact remains that broadcast television and newspapers are by far and away the dominant sources for local news and information.

The Newspaper Association of America reports that more than half the adult population reads a daily paper.' Indeed, in the Nielsen study commissioned for this

2

1 Newspaper Association of America, *Facts About Newspaper*: 2002.4.

7
rulemaking, 63 percent of those surveyed identified newspapers as their source for local news and information.²

At the same time, Nielsen also showed that 85 percent rely on broadcast television for local news.³ Compare that to 1/3 for radio and only 19 percent for the Internet.⁴ Half of all Americans still do not have Internet access at home.’

The dominance of TV news and newspapers as local news and information sources is all the more striking because, as the FCC’s Waldfogel study clearly indicates, consumers of news and information do not substitute sources, but rather use other media outlets to complement their primary source of news and information.⁶

Therefore, local ownership combinations that allow unfettered mergers of news operations of local broadcasters and daily newspapers reduce the number of antagonistic news sources available to local citizens.

Local television and newspaper media markets are already highly concentrated. Most cities are one-newspaper towns. While cable has increased the number of outlets, in most cities, the top four over-the-air TV stations still maintain more than 75 percent of the market share.

Simply increasing the number of outlets in a market does little to produce more antagonistic sources. The networks submitted a study that shows of all 210 TV market in the U.S., 70 percent have four or fewer stations carrying original local news

² Nielsen Media Research, FCC Media Ownership Working Group Study #8, “Consumer Survey on Media Usage,” Sept. 2002, Table 001.

³ *Id.*

⁴ *Id.*

⁵ U.S. Department of Commerce, NTIA, “A Nation Online: How Americans are Expanding Their Use of the Internet,” Feb. 2002, Table 2-2, 26-27.

⁶ Joel Waldfogel, FCC Media Ownership Working Group Study #3, “Consumer Substitution Among Media,” Sept. 2002, Part II Table I, 63.

programming and 89 percent have five or fewer.’ Only 19 markets have local cable news shows⁸, and some, such as News Channel 8 in Washington, D.C. are owned by a local broadcaster

Focusing on outlets without considering market share and ownership has lead proponents of local market combinations to draw some interesting comparisons. For example, the networks’ brief includes an in-depth analysis of the Milwaukee market. It gives equal weight to the web site of the local hurling club and the *Milwaukee Journal Sentinel*.’

Let’s face it; it’s highly doubtful the *Milwaukee Journal Sentinel* will ever be scooped by the local hurling society

When it comes to setting the local news agenda and local viewpoint diversity, diverse ownership, not the number of outlets, is what matters. The brief filed by the CWA in this proceeding contains numerous examples that illustrate the point. One example, however, provides a striking demonstration about how concentration of media ownership can destroy localism, competition, and diversity of viewpoints.

In 2001, Canada’s second largest commercial broadcast chain purchased Canada’s largest newspaper chain and now controls 30 percent of the nation’s daily newspaper circulation. Within months of that merger, CanWest Global reversed journalistic

⁷ Bruce M. Owen, Kent W Mikkelsen, Allison Ivory, Economic Study A: News and Public Affairs Programming Offered by the Four Top-Ranked Versus Lower-Ranked Television Stations, Table A4. Study attached to comments submitted by **Fox** Entertainment Group, NBC, Telemundo, and Viacom, *In the Matter of 2002 Biennial Regulatory Review-Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, MM Docket Nos. 02-277, 01-235, 01-317, 00-244, Jan. 2, 2003.

⁸ *Id.*, 3.

⁹ Bruce M. Owen and Kent W Mikkelsen, Economic Study F: Counting Outlets and Owners in Milwaukee: An Illustrative Example. Study attached to comments submitted by **Fox** Entertainment Group, NBC, Telemundo, and Viacom, *In the Matter of 2002 Biennial Regulatory Review-Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, MM Docket Nos. 02-277, 01-235, 01-317, 00-244, Jan. 2, 2003.

tradition of local editorial independence by mandating that its 14 largest newspapers and all its broadcast news operations adhere to editorial viewpoints dictated by its headquarters in Winnipeg.

It wasn't too long before news stories were being edited and spun to conform to the editorial viewpoints. Reaction by journalists across Canada ranged from public demonstrations of outrage to resignations, including a publisher."

The FCC should not allow mergers in markets that are already highly concentrated. And if mergers are permitted, the Commission should ensure that the combination is in the public interest and that antagonistic sources of news and information are preserved.

CWA has proposed one way to do that by requiring commonly owned media, including duopolies, to maintain separate newsroom and editorial staffs in order to preserve and promote viewpoint diversity. This language is modeled after the Newspaper Preservation Act, passed by Congress in 1970, that allows common ownership and joint operation of business functions but requires separate news and editorial staff.

Our journalist members have worked under these arrangements for decades. They report that maintaining separate news operations does in fact foster competition among reporters for local "scoops" and varying news angles on local events.

Bartholomew Sparrow, in "Uncertain Guardians: The News Media as a Political Institution," observes that reporters are "employees of complex organizations" who feel

¹⁰ See CWA Comments, *In the Matter of 2002 Biennial Regulatory Review-Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, MM Docket Nos. 02-277, 01-235, 01-317, 00-244, Jan. 2, 2003, 38-40.

"the invisible hand" of the newsroom's social control." Like athletes, journalists perform their best work when they are challenged by competition and encouraged to do their personal best.

It is imperative, therefore, that the Commission adopt rules that protect the media from consolidation into fewer hands, an outcome that would do serious harm to the free flow of ideas that are so essential to civic participation in our democracy.

¹¹ Bartholomew Sparrow, *Uncertain Guardians: The News Media as a Political Institution*, Baltimore: The Johns Hopkins University Press, 1999, 107-8.